

Message Text

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67

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

SCI-06 SCEM-02 INT-08 DRC-01 /210 W

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R 231648Z NOV 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1847

UNCLAS CARACAS 9973

E.O. 11652: N/A

TAGS: ENGR VE

SUBJECT: CALDERA REAFFIRMS THAT VENEZUELA WILL NOT REDUCE OIL
OUTPUT.

1. NEWSPAPER SOURCES QUOTE AN OFFICIAL OF MINISTRY OF
MINES AND HYDROCARBONS AS SAYING THAT VENEZUELA COULD REDUCE
DAILY OIL PRODUCTION FROM 3.3 MILLION BARRELS PER DAY
TO 2 MILLION BARRELS PER DAY AND STILL SATISFY NEEDS OF
NATIONAL BUDGET WITH SURPLUS OF 30 PERCENT. PRESIDENT CALDERA
WAS ASKED IN HIS WEEKLY PRESS CONFERENCE YESTERDAY WHETHER
VENEZUELA IN FUTURE SHOULD ADJUST OIL PRODUCTION TO INTERNAL
FINANCIAL NEEDS OR TO WORLD OIL DEMAND.

2. CALDERA REPLIED VERY MUCH ALONG LINES HE USED TO REPLY
TO SIMILAR QUESTION IN NOVEMBER 8 PRESS CONFERENCE
(CARACAS 9567). CALDERA SAID IT WOULD HARDLY BE JUSTIFIABLE
TO CUT OIL PRODUCTION GIVEN THE OIL NEEDS OF VENEZUELA'S TRADITIONAL
CLIENTS AND THAT VENEZUELA WOULD NOT WANT TO CAUSE MORE SUFFERING
TO THOSE WHO WILL ALREADY HAVE TO FACE UP TO A DIFFICULT WINTER.

3. ON THE OTHER HAND, CALDERA SAID THAT VENEZUELA WOULD NOT
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INCREASE PRODUCTION. HE SAID VENEZUELA IS VERY SATISFIED WITH

THE PRESENT LEVEL WHICH HAS BEEN DETERMINED ON A RATIONAL BASIS
GIVEN TECHNICAL FACTORS.

4. CALDERA ALSO TOOK OCCASION TO REJECT ALLEGATIONS THAT
HAVE BEEN MADE BY SOME THAT VENEZUELA COULD FIND NO WAY
TO INVEST WISELY VAST SUMS IT IS RECEIVING AS RESULT OF
RISING OIL PRICES. HE SAID VENEZUELA NEEDS TO INVEST A
PART OF SUCH RESOURCES IN DETAILED STUDY OF BEST MEANS
OF EXPLOITING VENEZUELA'S "GREAT OIL RESERVE OF FUTURE",
ORINOCO BELT. HE SAID THAT VENEZUELA WOULD ALSO HAVE TO
INVEST LARGE AMOUNT TO DEVELOP PETROCHEMICAL INDUSTRY, AND
THAT IDEA IS BEING CONSIDERED OF PRODUCING PROTEINS FROM OIL
IN ORDER TO SUBSTITUTE FOR IMPORTED FEED GRAINS FOR
ANIMALS.
MCCLINTOCK

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Message Attributes

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30 JUN 2005

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